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Press release: Workmen's compensation

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PRESS RELEASE FROM THE PREMIER, MR DUNSTAN.

WORKMEN'S COMPENSATION.

3.4.74

Claims by some builders of the effects of South Australia's new workmen's compensation laws on home building costs were grossly exaggerated, the Premier (Mr Dunstan) said today.

This had been established in an investigation by a special Government committee appointed by the Minister of Prices and Consumer Affairs, Mr King.

The investigation showed that the likely increase of a home costing \$16,500 to build was between \$145 and \$328.

Changes to the Workmen's Compensation Act provide increased benefits to injured workmen and extend the application of the Act to some sub-contractors.

But the Premier said this excluded sub-contractors who supplied materials as well as labour or who employed labour to carry out all or part of the work.

The committee had made a detailed study of the effects of the new Act. By no stretch of the imagination did it justify claims by some builders that the cost of a \$20,000 home would go up by \$1,700 or even \$2,000.

The minimum increase for a \$16,500 home was \$30. This was where all work was by contract for labour and materials.

The maximum was \$700 where all work was by contractors for labour only (but that is extreme - an unlikely rarity).

The committee had also obtained information from five builders for a house priced at \$16,500, excluding land.

They had varying proportions of employment of day labour, sub-contractors and employees but the operating patterns of each was normal within the industry.

The additional cost in these cases was \$145, \$173, \$200, \$319 and \$328, respectively.

The Premier said that the study had clearly demonstrated that claims by some sections of the industry were obviously exaggerated and unjustifiable.

"Nobody should accept exaggerated figures. I strongly advise anybody given a quote for the heavy extra cost of workmen's compensation to get in touch with the Prices Commissioner."